VZCZCXRO4590 PP RUEHTRO DE RUEHRB #0532/01 1611448 ZNY CCCCC ZZH P 091448Z JUN 08 FM AMEMBASSY RABAT TO RUEHC/SECSTATE WASHDC PRIORITY 8687 INFO RUEHAS/AMEMBASSY ALGIERS 4811 RUEHBS/AMEMBASSY BRUSSELS 3168 RUEHEG/AMEMBASSY CAIRO 2381 RUEHLO/AMEMBASSY LONDON 3630 RUEHNK/AMEMBASSY NOUAKCHOTT 3760 RUEHFR/AMEMBASSY PARIS 5056 RUEHTRO/AMEMBASSY TRIPOLI 0326 RUEHTU/AMEMBASSY TUNIS 9646 RUEHCL/AMCONSUL CASABLANCA 4135 RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 03 RABAT 000532

SIPDIS

STATE FOR P, AF/W, AND NEA/MAG

E.O. 12958: DECL: 06/04/2018 TAGS: <u>PREL ECON ECIN MO XA</u>

SUBJECT: NUDGING THE ARAB MAGHREB UNION OUT OF A RUT

REF: A. RABAT 0461 \_B. STATE 051981

Classified By: Ambassador Thomas Riley for reasons 1.5 (b) and (d).

- 11. (C) Summary: The Arab Maghreb Union (AMU), which links Mauritania, Morocco, Algeria, Tunisia, and Libya in an effort to promote regional cooperation and economic integration, has to date been a largely stagnant organization with relatively little to show for its 19 years of existence. AMU Secretary General Benyahia continues to pursue an economics-first strategy, betting that the politicians can eventually be convinced that the material benefits of integration outweigh the political obstacles. This strategy has borne some fruit, but a senior AMU official who has been involved in the effort since it began in the late 1980's recently confided to us his frustration at what he characterized as a sisyphisian effort.
- 12. (C) Morocco, which hosts the AMU Secretariat, postures as a champion of the AMU, a point underscored by a recent speech given by Foreign Minister Fassi Fihri, describing a robust AMU as a "geopolitical requirement." Morocco also recently provided a new building for an upgraded headquarters for the group. At the same time, Moroccan officials privately opine that the AMU is likely to continue to spin its wheels as long as Algeria continues to obstruct international acceptance of Moroccan sovereignty over the Western Sahara. The U.S. should nonetheless continue to upgrade its contacts and support for the AMU, ideally with at least symbolic participation from the Secretary. Such efforts, in parallel with reinvigorated international efforts to put the Sahara question to rest, could help put North Africa on a more promising trajectory. End summary.

A Vision for Regional Integration...

- 13. (C) The Treaty of Marrakech, signed in 1989 by the heads of state of Mauritania, Morocco, Algeria, Tunisia, and Libya, created the Arab Maghreb Union (AMU), a collective effort roughly modeled on the European Union, intended to promote regional cooperation and economic integration. In nearly 20 years of existence, the AMU has made relatively little concrete progress, hobbled by an apparent lack of political will among member states and particularly crippled by the frosty Morocco-Algeria bilateral relationship and the dispute over the Western Sahara.
- 14. (C) Secretary General Habib Benyahia, the former Tunisian

Defense and Foreign Minister, has endeavored to steer the AMU around political obstacles, focusing on technical and economic cooperation. AMU officials like to cite a number of concrete achievements realized under Benyahia's tenure, including the establishment of a Maghreb Bank for Investment and External Commerce situated in Tunis, a Maghreb Employers' Union situated in Algiers, a Maghreb University situated in Libya, and Maghreb Unions of Airlines and Farmers. The AMU has also been working closely with the World Bank on a study that will quantify the potential economic benefits of regional integration, and is even sponsoring a feasibility study for a single monetary currency.

...Hobbled by Frustrating Realities

- 15. (C) Even as Embassy contacts in the AMU Secretariat like to rattle off such efforts as evidence that a technocratic approach is gradually bearing fruit despite the barren political landscape, a veteran AMU official recently confided to PolOff that he felt great frustration and often despaired that their collective efforts were futile. The official, who has worked on AMU affairs since before the organization was born at the 1989 Marrakech Summit, confided that there seemed to be little political will among the member states to translate the rhetoric of regional unity into concrete cooperation.
- 16. (C) The closure of the Algeria Morocco frontier since 1994 flies in the face of the AMU's core principal of

RABAT 00000532 002 OF 003

commerce, trade, and interaction between member states. "The regional situation and prospects for unity seem much worse now than they did when I started working (on the AMU) in 1988," he lamented. AMU heads of state have not met as a group since a summit in Tripoli in 1994. Subsequent summit proposals have all been scuttled by one or more of the member states. This stagnancy is particularly frustrating at a time when the need for the states of the region to pool their resources and face common challenges is greater ever, our AMU contact added. Beset by drought and desertification, a burgeoning population of youth who need good educations and jobs, the states of the region should be focused on their common interest in economic cooperation and policy coordination, and set aside political differences, he complained.

Morocco Supportive, But...

17. (C) Morocco, for its part, is keen to be seen as a promoter of the Arab Maghreb Union. In a May 23 speech, Foreign Minister Fassi Fihri lamented that the AMU was in a state of "distressing lethargy." Given globalization and an evolving environment in Europe, the Sahel, and the Middle East, Maghreb unity must now be considered a "geopolitical requirement," Fassi Fihri emphasized. He hoped that the new Mediterranean Union proposed by President Sarkozy could help stimulate a thaw in the AMU process. In a concrete gesture of Moroccan support for the AMU effort, the GOM recently provided a new, larger building in Rabat's fashionable Agdal neighborhood for the organization's headquarters. The AMU's previous headquarters, a cramped and spartan converted apartment building, had seemed to symbolize the organization's impotency.

18. (C) Privately, Moroccan officials are less sanguine about the AMU's prospects. Predictably, they blame Algerian intransigence. They view regional integration as a non-starter without Algeria, the largest (geographically) state in North Africa, and by far the wealthiest, with a population roughly comparable in size to Morocco's 33 million. In a recent conversation with PolOff, Lahcen

Saille, the Ministry of Foreign Affairs' AMU desk officer (protect) cited May 27 comments by Algerian Foreign Minister Medelci as evidence that the Algerians were blocking progress on the AMU and would continue to do so. As quoted by the Algerian press, Medelci described the AMU as "stillborn." Though Algeria aspired to the ideal of Maghreb unity, this ambition collides with the Algerian - Moroccan dispute over the Sahara, Medelci reportedly stated. Saille underscored that such remarks flew in the face of Algerian claims that it is not a party to the Sahara dispute, and also appeared to be a rebuff from Algiers to Morocco's recent initiative to upgrade bilateral dialogue (reftel).

Comment

- ¶9. (C) While the political obstacles to regional integration are formidable, Benyahia is on solid ground in arguing that AMU member states' common economic interests should ultimately trump them. We believe the USG should continue to support the AMU and build on foundations we have laid in the past year with the meeting of AMU Foreign Ministers convened by P in New York in September 2007 and with the technical experts' meeting on youth de-radicalization hosted by the Department in April.
- 110. (C) In an informal reaction to U/S Burns' recent letter to SYG Benyahia (reftels), an AMU official recently advised us that while the AMU Foreign Ministers were very likely to welcome a second annual meeting of Foreign Ministers on the margins of UNGA this September, the participation of the Secretary in the event, even if only a drop-by, would go a long way toward giving the U.S.-AMU process momentum. We support this idea. Upgraded and sustained U.S. engagement of the AMU, in tandem with increased international efforts to resolve the Western Sahara dispute, are our best hope of invigorating the process and putting the states of North

RABAT 00000532 003 OF 003

Africa on a more positive trajectory. End comment.

111. (U) Tripoli minimize considered.

Riley